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C O N F I D E N T I A L SECTION 01 OF 03 ABU DHABI 004113

SIPDIS

STATE FOR NEA/FO, NEA/ARPI, AND NEA/PI

E.O. 12958: DECL: 09/29/2015
TAGS: [KDEM](#) [PREL](#) [PGOV](#) [KPAO](#) [KMPI](#) [TC](#)
SUBJECT: UAE REFORM STRATEGY: SECOND QUARTERLY UPDATE

REF: A. ABU DHABI 3043
[1](#)B. ABU DHABI 2173
[1](#)C. STATE 152459
[1](#)D. ABU DHABI 3700
[1](#)E. ABU DHABI 3241
[1](#)F. ABU DHABI 3546
[1](#)G. ABU DHABI 3877
[1](#)H. STATE 80607

Classified By: AMBASSADOR MICHELE J. SISON, REASONS 1.4 (B) AND (D).

1.(C) Summary: Since the July 5 submission of the first quarterly UAE Democratic Reform Strategy update (ref A), there has been movement in several areas of our reform strategy (ref B), and several positive developments in the reform arena broadly speaking. During the period July 1-September 30, UAEG leaders have noted in private conversations with the Secretary and the Ambassador to announce election plans for either municipal councils or the Federal National Council before the end of this calendar year, although there are some within the UAEG who have cast doubt on this timetable. Encouraging developments are taking place in the area of labor rights, including changes in sponsorship regulations, elimination of a six-month mandatory immigration ban, and permission for workers who are owed back salaries to change sponsors. We are still not seeing tangible progress on the adoption of either an NGO or labor law, although UAEG officials tell us that the process is steadily moving forward. Similarly, the UAEG has yet to take a decision on whether to allow the establishment of one or more human rights NGOs.

2.(C) Summary (continued): On the media reform front, the Public Affairs Section and MEPI Regional Office launched a proposal in September to assist the UAE Journalists Association's (JA) drafting of a model media law for the UAEG's consideration. If successful, the project will result in the UAEG's adoption of legislation that will closely

reflect U.S. standards of press freedom laws and could serve as a model in the region. With regard to progress on government transparency, there are still no formal, transparent mechanisms for the public to comment on draft legislation or proposed regulations. However, there are public discussions about the impact of proposed new legislation, where stakeholders make their opinions known to the UAEG. The UAEG is preparing for the electronic archiving of public records dating back to 1971. Improving regulatory transparency is one of the issues for discussion in the FTA negotiations between the U.S. and the UAE. Finally, in the area of justice reform, the Dubai Attorney General has warmly welcomed an offer of DOJ training; the Attorney General of Abu Dhabi Emirate, however, has stated that there is no interest in USG training at this time. End Summary.

Representative Government

¶3. (U) From September 25-28, the National Conference of State Legislatures (NCSL) offered training on bill drafting and committee operations to the staff of UAE's National Consultative Council, part of a program to enhance personnel functions and legislative procedures. (Note: While NCSL has been a MEPI grantee, this particular UAE project is not through MEPI. End note)

¶4. (C) Deputy Prime Minister/MinState for Foreign Affairs Sheikh Hamdan bin Zayed (HbZ) told the Secretary August 15 the UAE would soon implement plans for elections to local municipal councils and the Federal National Council (FNC) (ref C). HbZ said that the UAE would announce plans for Emirati nationals, both men and women, to vote in municipal elections. Subsequently, HbZ together with his brother, Information Minister Sheikh Abdullah bin Zayed, told the Ambassador that plans for elections would be announced by year's end, but that the elections would be for either municipal councils or/or for the FNC, not both (ref D). However, a senior advisor to Abu Dhabi Crown Prince Mohammed bin Zayed has voiced doubt privately that this announcement would take place that quickly.

¶5. (C) In July, President Khalifa visited the Western Region of Abu Dhabi Emirate to meet with traditional rulers and to inform residents of future economic development plans (ref E). Such public outreach is new in the UAE. The Abu Dhabi Executive Council is working on a plan to improve services and infrastructure in the Western Region (ref F). On September 26, the emirate opened a one-stop shop for government services in the Western Region that will enable the public to complete their transactions in minutes rather than weeks.

Civil Society Development

¶6. (C) No progress has been made on either the NGO or labor laws in the last three months, as the FNC is not in session. The Embassy has not seen draft language for either law. The Ministry of Labor and Social Affairs still must finalize a draft labor law, and the Cabinet and the Ministry of Justice, Islamic Affairs and Endowments have to approve it before it can go to the FNC. The Ministry of Labor is consulting with the ILO on tactics for formulating a union law and practice that takes into account the demographics of the UAE (over 98 percent of the private sector workforce is expatriate). The labor law will now include a specific provision giving the Minister of Labor the discretion to issue a decree allowing labor unions (ref G).

¶7. (C) In addition, the Ministry of Labor has moved to ease many of the most restrictive laws and regulations governing the expatriate labor market over the last few months to open the labor market and permit greater labor rights and mobility to expatriate workers in the UAE. HbZ told the Secretary August 15 of the UAE's plans to allow the formation of labor

unions. Emirati citizens would enjoy full membership; expatriate workers would be allowed to participate but would not have full voting rights. Besides bringing UAE labor laws closer to an international norm, the UAE is also offering expatriate workers more freedom to change employers without fear of labor or immigration consequences. Major changes announced over the summer include:

- Allowing sponsorship transfer for all workers;
- Eliminating the six-month immigration ban for workers who change sponsors;
- Eliminating the corresponding no-objection letter that was previously required for a worker to change employment;
- Allowing workers who are owed three months of unpaid salaries or more to change sponsors;
- Increasing company fees for failing to cancel, change, or renew a worker's labor permit.

18. (C) In a further move to introduce labor reforms, the Ministry of Labor is considering changing the civil service law to give broader accountability, and require employees to perform the services for which they are being paid. The Emirate of Abu Dhabi's government has begun to "outsource" functions (such as street cleaning) to private sector companies in an effort to reduce its workforce. According to Abu Dhabi Finance Department Under Secretary Hamad Al Suwaidi, the government is trying to both streamline and improve the quality of its workforce and the services it provides. He said that both Emirati nationals and expatriates would be let go. Nationals would be retrained and expatriates would be "appropriately compensated" for their services.

19. (C) The Ministry of Labor and Social Affairs has yet to take a decision on the two organizations that have applied to become the UAE's first human-rights NGOs. The mandated 30-day timeframe for a decision regarding the approval of the organizations expired long ago. This is an issue we intend to raise with the Ministry of Labor and Social Affairs, and ultimately with the UAE leadership. (Comment: The two organizations interested in becoming human rights NGOs have different political tendencies. Based on what we know of the founding members of each organization, we would regard one as mainstream and the other as moderate Islamist. End comment.)

110. (U) In July, the federal Cabinet approved a draft Personal Status Law. That law, which is awaiting approval by the FNC and the President, addresses the rights and status of women, as well as marriage, divorce, legal competence, guardianship, wills and inheritance, and endowments. The law would give women the right to end their marriage after petitioning the Shari'a Court, paying compensation, or returning the dowry to husbands.

Media Reform

111. (C) Information Minister Sheikh Abdullah has indicated that he wants a law to better protect freedom of the press, and to that end has solicited input from the UAE Journalist Association (JA) on what a press freedom law should include. Embassy Public Affairs Section has worked closely with the JA to follow up. The MEPI Regional Office has identified a U.S. law firm expert in media law, and has concluded an agreement for the firm to provide expert input on advice for the JA's drafting of a model law by December 2005. The project will begin by September 30. If fully successful, this program will lead to the UAE adopting a media law that will more closely reflect U.S. standards of press freedom and serve as a model for media legislation in the region. The program provides technical assistance to be completed by December 19, and follow-up consultation through September 2006.

Transparency

¶12. (C) No transparent mechanism for public comment on proposed legislation has been established and the UAE rarely makes draft legislation available. There is, however, ongoing public debate about revisions of key laws, including the Labor Law and the UAE Companies Law. In September 2005, the UAEG announced the creation of a series of documentation and archiving courses to be run by the Higher Colleges of Technology. Dr. Abdullah Mohammed Al Reyes, President of the Arab Regional Branch of the International Council on Archives, said that these courses are necessary as the government needs to archive more than seven million official documents dating back to 1971. Transparency issues are a major point of discussion in the U.S.-UAE FTA negotiations.

¶13. (U) In August the UAE signed the United Nations Anti-Corruption Convention, which aims to regulate signatory nations' efforts to fight corruption. According to a Gulf News article, the convention binds signatory nations to render specific forms of mutual legal assistance in gathering and transferring evidence for use in court and to extradite offenders. Also in August, the Abu Dhabi Police Department issued a study on corruption in the UAE. According to the study, "Administrative corruption poses a real threat. ... Rampant bribery, nepotism, embezzlement and abuse of power lead to the failure of development projects and hamper socioeconomic development." The study called for introducing strict penalties and encouraged the UAE to adopt an integrated strategy for administrative reform to counter corruption. In response to the report, the Abu Dhabi police set up a special anti-corruption unit.

Justice Reform

¶14. (C) In September, Embassy's DOJ Resident Legal Advisor met with Dubai's newly appointed Attorney General to discuss training possibilities. The Attorney General welcomed USG training, particularly in the area of cybercrime, pending cybercrime legislation coming into force and being made public. In July, Resident Legal Advisor met with Abu Dhabi Attorney General who told her that his office was not interested in USG judicial training because the UAEG has a predominantly religious (Shari'a) legal system with a Napoleonic code-based system supplementing it. As a result of meetings Resident Legal Advisor had with Central Bank authorities, the Department of Justice will be sponsoring an advanced financial crimes conference in November to improve investigative and prosecutorial skills in financial crime cases.

Other Reform Developments

¶15. (U) Both the Washington-based Heritage Foundation and the CATO Institute recently released reports ranking the UAE at the top of all Arab countries in economic freedoms, and in the top tier of all countries assessed for economic openness.

Last May, the UAE topped all Middle East countries on the World Bank's governance effectiveness list, which uses six determinants to measure governance: voice and accountability; political instability and violence; government effectiveness; regulatory burden; rule of law; and control of corruption.
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